To: Blumenfeld, Jared[BLUMENFELD.JARED@EPA.GOV]; Diamond, Jane[Diamond.Jane@epa.gov]
From: Zito, Kelly
Sent: Mon 2/9/2015 5:32:54 PM
Subject: FW: California issues underground injection plan
FINAL_Dual Letterhead_US EPA Letter_02-06-15_3PM.PDF

From: Drysdale, Donald@DOC [mailto:Donald.L.Drysdale@conservation.ca.gov]
Sent: Monday, February 09, 2015 9:29 AM
To: Zito, Kelly
Subject: FW: California issues underground injection plan

CONTACT:

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STATE PROVIDES UNDERGROUND INJECTION CONTROL PLAN

TO U.S. ENVIRONMENTAL PROTECTION AGENCY

SACRAMENTO – California regulatory authorities on Friday, February 6, submitted to the U.S. Environmental Protection Agency a plan to correct deficiencies in the regulation of underground injection. The 12-page letter (attached), prepared by the Department of Conservation (DOC) and the State Water Resources Control Board, focuses on the enhanced protection of California aquifers from contamination due to oil and gas production.

"Our primary goal has always been to ensure the protection of public health and safety and the environment, and we believe that overall, we have been successful," State Oil and Gas Supervisor Dr. Steven Bohlen said. "But in this time of unprecedented drought, there must be a higher level of scrutiny on any activity that could adversely impact the state's water resources."

The work plan pledges to U.S. EPA that DOC's Division of Oil, Gas, and Geothermal Resources (Division) – which is charged with oversight of the state's oil and gas production -- and State Water Resources Control Board will jointly ensure California achieves full compliance with the federal Safe Drinking Water Act. It concedes that the Division must make "long overdue revisions" to its underground injection program and must address shortcomings to its data management system, as laid out in the letter.

The Division was granted "primacy" in 1983 by the U.S. EPA to regulate Class II underground injection wells, which are used to increase oil recovery and to safely dispose of fluid produced with oil and natural gas. In 2010, U.S. EPA audited the State's regulatory program, reporting several areas of concern. Since, the Division has made a number of improvements, including adding staff, providing additional training, and establishing a monitoring and compliance unit to conduct an internal assessment of the underground injection program.

In the summer of 2014, the Division became aware that some underground injection wells had been permitted into aquifers that may not have been declared "exempt" from the federal Safe Drinking Water Act provisions governing groundwater aquifers. For the most part, the groundwater in properly "exempted" aquifers is comingled with oil and natural gas or other naturally-occurring chemicals, and thus cannot be used for drinking water or agriculture.

That prompted the Division, in cooperation with U.S. EPA and the State Water Resources Control Board, to undertake a comprehensive review of underground injection in California. Last July, 11 injection wells that posed a threat to drinking water supplies were ordered to immediately halt injection, and any additional such wells likewise will be shut down. The Central Valley Regional Water Quality Control Board staff have tested nine water supply wells near those injection wells and found no evidence of contamination related to underground injection. The State Water Board continues to evaluate injection wells to determine if nearby water supply wells or ground water resources are at risk.

The work plan noted: “A process has been developed to determine the wells with the highest risks associated with injection, and the steps to be taken to bring injection well permits into compliance with the primacy agreement with US EPA. “

California is the third largest oil-producing state in the nation, producing about 575,000 barrels per day. Injection wells have been an integral part of California’s oil and gas operations for more than 50 years. Currently, more than 50,000 oilfield injection wells are operating in the state. About 75 percent of California’s oil production is the result of enhanced oil recovery methods such as steam flood, cyclic steam, water flood, and natural gas injection.

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